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SUBJECT: OKRUASHVILI DETAINED FOR CORRUPTION, OPPOSITION PROTESTS

REF: A. TBILISI 2415

1B. TBILISI 2424

11. (U) Summary: Former Defense Minister Irakli Okruashvili was arrested in his office on the evening of September 27 by the criminal police and detained in the Special Operations Department (SOD) detention facility. Charges leveled at Okruashvili by the Prosecutor General's office include: abuse of power, negligence, extortion, and money laundering. Okruashvili refused to acknowledge the charges and claimed he is a political prisoner. A number of other opposition leaders jointly condemned Okruashvili's arrest as politically motivated. They said the arrest, just two days after the announcement of his opposition party (ref A), confirmed Okruashvili's charge that the government is corrupt. Furthermore, they said he could not have undertaken illegal activity as MOD without President Saakashvili's explicit consent. The opposition is calling for a public protest at Parliament this Friday (September 28) at 1400 hours. End Summary.

The Arrest

12. (U) Okruashvili was arrested in his office on the evening of September 27 around 2030 hours and detained in the Special Operations Department (SOD) facility. A special unit from the criminal police broke into Okruashvili's party's office and took him into custody without incident. Imedi TV reported that its camera crews were present and recorded the arrest, but their cameras were confiscated by the police. One hour later, the head of Okruashvili's security, his driver, and approximately 10 supporters were also arrested in the party's headquarters. Okruashvili's lawyer, Eka Beselia, said the arrest was "political retaliation."

The Charges

13. (U) The charges against Okruashvili were detailed on TV by Deputy General Prosecutor, Nika Gvaramia. Gvaramia stated "the Georgian authorities' struggle against corruption is an irreversible process," and that Okruashvili's arrest is but another step in this struggle. Gvaramia said that the arrest was the result of a joint investigation by the Prosecutor's Office, the Investigation Department of the Georgian Finance Ministry Revenues Service, and the Military Police.

14. (U) The first two charges state that as Minister of Defense, Okruashvili had his friend Kibar Khalvashi establish a construction company in early 2005 and subsequently granted

the company lucrative military construction contracts in exchange for kickbacks. The extortion charge centers on the case and supposed testimony of former Presidential Parliamentary Secretary Dimitry Kitoshvili (ref B). Both Okruashvili and Kitoshvili are now accused by the government of having extorted 2.6 percent of the shares of the mobile phone company Geocell from Jemal Svanidze. The money laundering charge focuses on the recent acquisition of Okruashvili's new party headquarters. Gvaramia said that Okruashvili "legalized his illegal incomes" by concealing the real value of the property, USD 1.8 million, when he bought it for USD 250,000.

¶ 15. (U) Beselia later met with Okruashvili, who has refused to acknowledge the charges. Beselia announced that "He says he is innocent; he also said he was a political prisoner."

The Opposition Protests

¶ 16. (U) Leaders from most other opposition parties (although not the New Rightists) condemned Okruashvili's arrest as an example of the government's heavy-handedness. Former Georgian State Minister for Conflict Settlement -- and new member of Okruashvili's Movement for a United Georgia party -- Giorgi (Goga) Khaindrava was the most outspoken. Khaindrava said "The arrest is not a way out." He said the government's response to the questions Okruashvili posed "was completely unintelligible,... and absolutely inadequate." He continued, "I am absolutely convinced that under the regime, which he (Saakashvili) created in Georgia, nothing could have happened without him. Therefore, he should serve a term together with Okruashvili, if the latter's guilt is proved." People's Party leader Koba Davitashvili stated that "Saakashvili confessed guilt, having detained Okruashvili,

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and he should be punished." Zurab Tkemaladze, of the Industrialists, said "we will stand with the other opposition parties."

¶ 17. (U) Republican Party leader Tinatin Khidasheli called on "every person who esteems freedom of speech, equality and pluralism to come to the parliament to defeat terrorism and overcome fears. She and the other leaders are planning a public protest before Parliament at 1400 hours on September 28. The New Rightists, in contrast, kept their distance from the demonstration, with faction leader Pikria Chikradze saying the opposition should find a more constructive approach to limit government overreaching.

Comment

¶ 18. (SBU) Coming on the heels of Okruashvili's sensational allegations September 25 against President Saakashvili, the arrest has rallied most of the opposition against the government's heavy-handed handling of this case. Government officials are likely to continue to argue that Okruashvili's September 25 charges were timed in the hope of buying him some political protection from prosecution. If so he was unsuccessful, but as a result of the sequence of events the Georgian government's image has taken a huge blow. The government can also claim that testimony received from Okruashvili's recently arrested associates, implicating Okruashvili, provided the impetus for the timing of the arrest.

TEFFT